



Department of Justice

United States Attorney Gregory G. Lockhart
Southern District of Ohio

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CONTACT: Fred Alverson

614-469-5715

FAX: 614-469-2200

CINCINNATI INVESTMENT COMPANY OWNER SENTENCED TO PRISON, NEARLY \$7 MILLION IN RESTITUTION

CINCINNATI - John Patrick Kisor, age 42, was sentenced in United States District Court here today to 90 months imprisonment and ordered to pay at least \$6,901,674 in restitution to more than 140 victims of a fraudulent investment scheme he ran from January 1999 until September 2002. Kisor's sentence includes 90 months for one count each of wire fraud and money laundering, and 60 months for securities fraud. The sentences will be served concurrently. The imprisonment will be followed by three years of supervised release.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Cromwell A. Handy, Special Agent in Charge, Internal Revenue Service (IRS) Criminal Investigation, Stanley Borgia, Special Agent in Charge, Federal Bureau of Investigation Cincinnati Field Division, and Merri Jo Gillette, Regional Director, Midwest Regional Office, Securities and Exchange Commission, announced the sentence handed down today by United States District Judge Michael H. Watson.

Kisor owned and operated PDK International, Inc. (PDK), which was originally set up as a Nevada Corporation, and later incorporated as PDK International LLC, A United States Virgin Islands Corporation. Kisor used PDK fraudulently to obtain funds through an investment scheme from individuals and entities believing their funds would be invested in a stock option trading program and other PDK investments.

Kisor pled guilty on April 15, 2005. At his plea, he admitted diverting \$8,092,105.43 of investors' funds for his own personal use including the purchase of automobiles, paying for his personal living expenses and gambling.

Kisor's victims included two groups of investors. One group, known as the PDK investors, consisted of Cincinnati area investors. There are approximately 30 PDK investors who suffered losses of at least \$2.7 million on approximately \$4 million they invested. The other group, known as the Agave Limited investors, consisted of investors from Ohio, Michigan, and various other locations. Agave Limited (Ltd) was an entity set up in the Cook Islands as a foreign private investment company. Approximately 100 Agave investors entrusted approximately \$31 million with Kisor and lost at least \$5 million. Most of these funds were invested through offshore bank accounts in the Cook Islands and Nevis/St. Kitts and wire transferred to brokerage and bank accounts controlled by Kisor in the United States.

Kisor spent over \$1 million on the purchase of eighteen vehicles. Kisor never told investors that he was investing their money in vehicles. Kisor took at least seventeen relatives and friends on a Hawaiian cruise in December 2000 in which Kisor spent at least \$125,000 in investor funds. In addition, Kisor had gambling losses of over \$2 million.

Kisor agreed to forfeiture of all of his assets up to a value of \$8,092,105.43, including but not limited to his interest in a 1996 Vector M12 vehicle, a 1999 Vector M12 vehicle, a 1962 Chevrolet Corvette, a 1998 Dodge Viper, a 2000 Ford Mustang Cobra, a 1998 Lincoln Navigator, a 1957 Chevrolet Belair, a 2000 Volkswagen Beetle, a 2000 Ford F-150 pickup, a 2000 Harley Davidson, a 2000 Suzuki GXR, 400,000 shares of Series A stock in Novus Capital, LLC held in the name of PDK International LLC, and 176,356 shares of IPEC/Nostromo stock received from a third party.

Lockhart commended the agents of the IRS-Criminal Investigation and the Federal Bureau of Investigation who investigated the case with assistance from the SEC Chicago office, and First Assistant U.S. Attorney William E. Hunt who handled the prosecution of the case.

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